

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6691**

**BILL NUMBER:** HB 1219

**NOTE PREPARED:** Mar 14, 2008

**BILL AMENDED:** Mar 14, 2008

**SUBJECT:** Unemployment Insurance.

**FIRST AUTHOR:** Rep. Tyler

**FIRST SPONSOR:** Sen. Kruse

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** *Plant Closings:* This bill excludes from remuneration of services, for the purpose of determining income that is deductible from unemployment insurance benefits, compensation made by a valid negotiated contract or agreement in connection with a layoff or plant closure, without regard to how the compensation is characterized by the contract or agreement. It also excludes from deductible income a supplemental unemployment insurance benefit made under a valid negotiated contract or agreement.

The bill includes in deductible income, for the purpose of determining an individual's unemployment insurance benefits, for a week in which a payment is actually received by an individual, payments made by an employer to an individual who accepts an offer from the employer in connection with a layoff or a plant closure. It also includes in deductible income a portion of certain payments made by an employer to an individual in connection with a layoff or a plant closure, if the portion is attributable to a week and the week: (1) occurs after an individual receives the payment; and (2) was used under the terms of a written agreement to compute the payment.

The bill specifies that a person, excluding a person who elects to retire in connection with a layoff or plant closure and receive pension, retirement, or annuity payments, who: (1) accepts an offer of payment or other compensation offered by an employer to avert or lessen the effect of a layoff or plant closure; and (2) otherwise meets the eligibility requirements; is entitled to receive unemployment insurance benefits in the same amounts, under the same terms, and subject to the same conditions as any other unemployed person.

*Special Employment and Training Services Fund:* The bill provides payment to certain state educational institutions for specific training programs from the Special Employment and Training Services Fund.

*DWD Data Match:* The bill allows the Department of Workforce Development to operate a data match system with financial institutions doing business in Indiana for use only in the collection of unpaid final assessments of employer contributions for the state's unemployment insurance system.

It makes conforming amendments.

**Effective Date:** March 15, 2008.

**Explanation of State Expenditures:** *Special Employment and Training Services Fund:* The bill provides \$4 M to Ivy Tech Community College, \$1 M to Vincennes University to contract with apprenticeship technology degree providers to offer programs, and \$250,000 for Ivy Tech Community College and Vincennes University for journeyman upgrade training. The fund had revenue of \$7.8 M for FY 2007.

*DWD Data Match:* The Department of Workforce Development could incur additional administrative costs associated with the operation of the match system. The department is required to pay financial institutions a reasonable fee of at least \$5 for each warrant issued to the financial institution. The match system would be similar to the system used by the Department of Revenue with individuals.

**Explanation of State Revenues:** *Plant Closings:* The impact on the state would be as an employer and would depend on the number of layoffs or facility closings. The impact would probably be minor.

[The Unemployment Insurance Benefit Fund paid \$736.8 M in benefits in FY 2007, and the state as an employer paid \$5.9 M.]

*DWD Data Match:* The bill should aid the Department of Workforce Development in the collection of unpaid unemployment insurance assessments, interest, penalties, and associated collection costs.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** All, Ivy Tech Community College, Vincennes University, Department of Workforce Development.

**Local Agencies Affected:** All.

**Information Sources:**

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